

Telecom Egypt's position in relation to the expiration of the MoU between Vodafone Group & STC

Cairo, 13 September 2020: Following Telecom Egypt's various statements regarding Vodafone Group's intention to divest its stake in Vodafone Egypt, Telecom Egypt has been closely following the aforementioned deal to consider its options. Telecom Egypt has today become aware of the expiration of the MoU between Vodafone Group and Saudi Telecom Company (STC) from different media sources. Telecom Egypt has also noted public statements by the parties that discussions between them are ongoing and note the implicit and direct references to Telecom Egypt in the STC and Vodafone announcements made earlier today.

We can confirm that Telecom Egypt has not to date received any proposal from either of the two parties involved in the transaction nor do we have insight into the state of discussions or terms being discussed between the parties. We are therefore unable to comment further on today's statements except to note that the inference that Telecom Egypt has a role to play in assisting Vodafone Group and STC to conclude a transaction is unclear and without foundation.

The action to be pursued by Telecom Egypt has not yet been determined and depends on the terms of any proposal to be put forward to Telecom Egypt. The board of directors of Telecom Egypt, in keeping with its fiduciary duties, affirms that it will always act solely in the interests of the company and its shareholders and will pursue whatever option that maximizes long-term shareholder's value and advances the interests of Telecom Egypt.

As previously noted, Telecom Egypt has spent sufficient time to study all options available to it and further studied and analyzed its rights under the existing agreements and applicable laws. Telecom Egypt is confident of its ability to execute a number of strategic options with an eye to preserve the interests of the company and its shareholders. These options, include without limitation:

- exercising its right of first refusal under the shareholders' agreement entered into with Vodafone Group as well as the articles of association of Vodafone Egypt;
- the right to consider accepting a mandatory tender offer in accordance with Chapter 12 of the Executive Regulations of the Egyptian Capital Markets Law No. 95 / 1992 as confirmed by the letter received from the Egyptian Financial Regulatory Authority in this regard; and
- any other rights it may have under the relevant Egyptian laws and the shareholders' agreement.

Shareholders will be kept informed of any material developments.

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About Telecom Egypt

Telecom Egypt is the first total telecom operator in Egypt providing all telecom services to its customers including fixed and mobile voice and data services. Telecom Egypt has a long history serving Egyptian customers for over 160 years maintaining a leadership position in the Egyptian telecom market by offering its enterprise and consumer customers the most advanced technology, reliable infrastructure solutions and the widest network of submarine cables. Aside from its mobile operation "WE", the company owns a 45% stake in Vodafone Egypt. Telecom Egypt's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on The Egyptian Exchange and the London Stock Exchange. Please refer to Telecom Egypt's full financial disclosure on ir.te.eg

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